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News Release

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Government of Canada Pledges $1.3 Billion to World Bank's International Development Association

The Honourable Jim Flaherty, Minister of Finance, today announced that Canada will contribute $1.3 billion to the World Bank's International Development Association (IDA), an organization that provides interest-free loans and grants to the world's poorest countries.

"Our government is committed to ensuring Canada's international assistance is effective, and that taxpayers' money is well spent," said Minister Flaherty. "Today's contribution, a 25-per-cent increase, is a perfect example of that commitment. IDA has a long history of providing assistance to countries that need it most, and has established a reputation as one of the most effective development institutions."

Today's three-year contribution to the 15th replenishment of IDA (IDA15), confirmed at the Fifth IDA15 Replenishment Meeting in Berlin, Germany, on December 13–14, represents an increase of $262 million and will push Canada's share of IDA funding to nearly 4 per cent, Canada's highest share in 10 years.

The contribution is part of the Budget 2007 commitment to double Canadian development assistance by 2010–11 from 2001–02 levels. It is also part of the Government's intention, reaffirmed by Prime Minister Stephen Harper at this year's Group of Eight (G8) summit, to double international assistance to Africa by 2008–09 from 2003–04 levels, as more than 50 per cent of IDA's resources are expected to go towards Africa.

The International Development Association is the World Bank's principal financing tool for the world's poorest nations, providing 81 countries with interest-free loans and grants. The new financing will allow IDA to enhance its focus on effective delivery of aid, financing for large regional projects like infrastructure, and special assistance for fragile states such as Afghanistan and Haiti, while ensuring countries do not take on unsustainable levels of debt.

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